

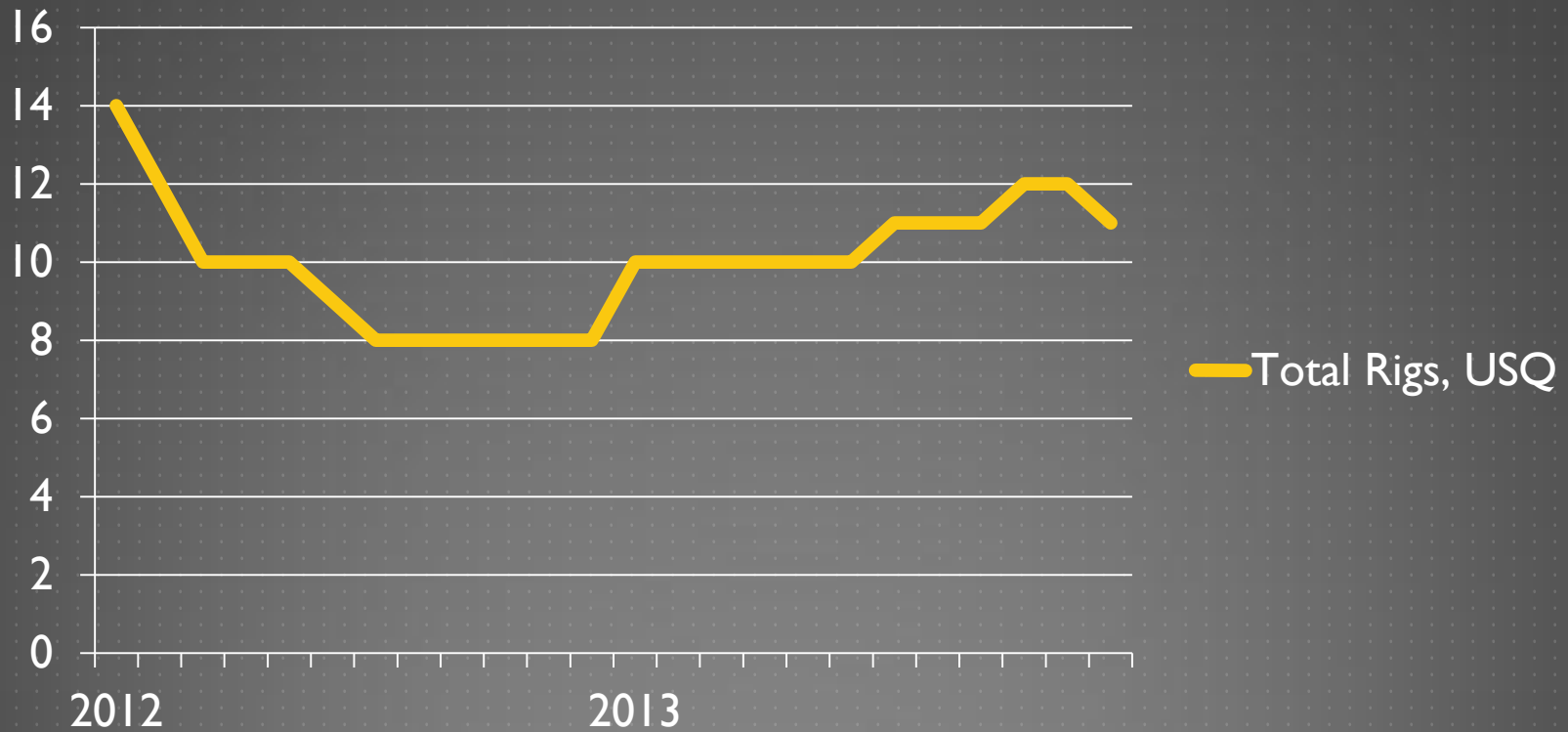
2012 PINEDALE ANTICLINE ROLLING 10-YEAR DRILLING FORECAST

August 9, 2012

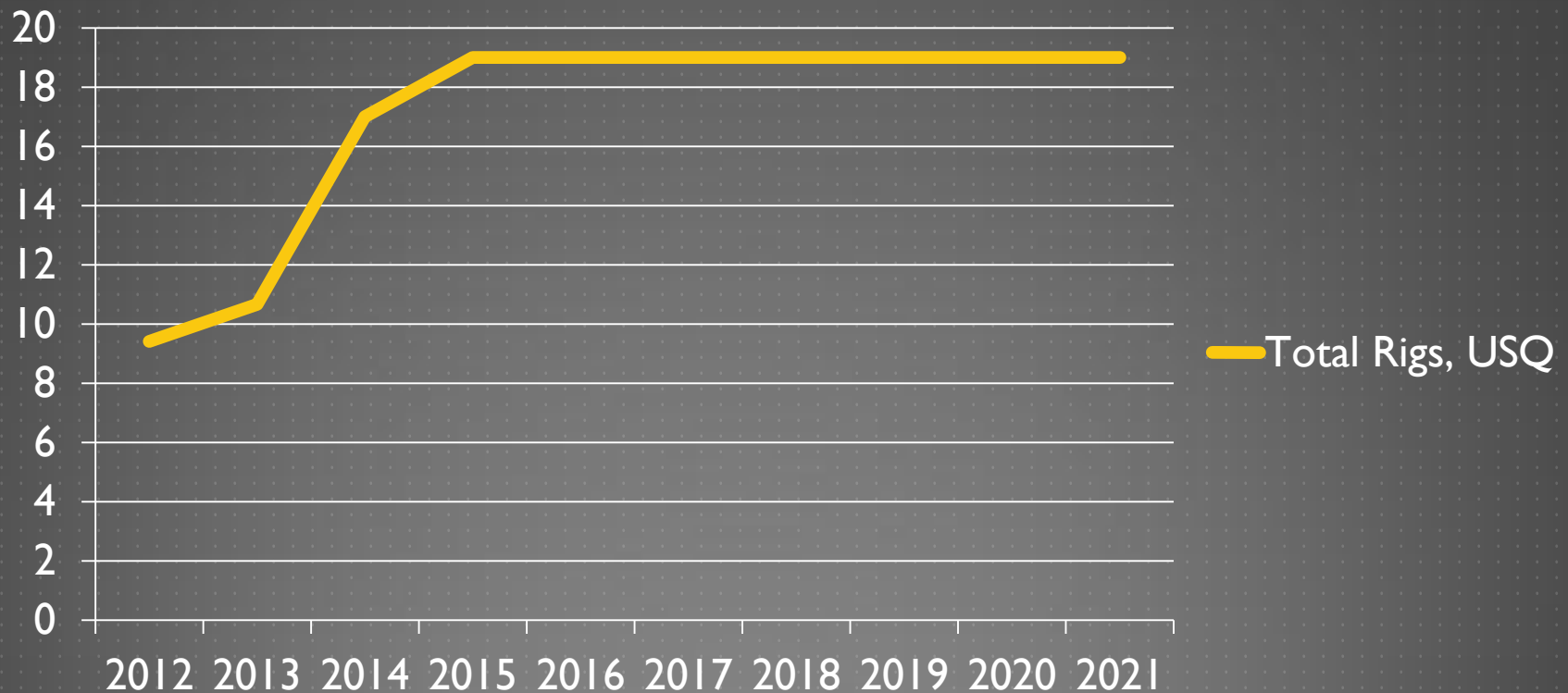
Air, Water, Socio-economic
Annual Planning Meeting



NUMBER OF RIGS (2012-2013)



NUMBER OF RIGS (10-YEAR ROLLING FORECAST)¹



¹The total rig calculation assumes each rig works year round (Total Rig Months/12 = Rigs); Annual average

SUMMARY OF DRILLING ACTIVITY

- ▶ The total number of rigs is down from 14 rigs in January 2012 to 8 rigs currently;
- ▶ Near term forecasts include an increase in drilling activity beginning in mid-2013;
- ▶ The demand for locally provided services and infrastructure due to development of the PAPA is forecast to remain relatively steady until mid 2013, with an increased demand beyond 2013.